

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6766
BILL NUMBER: SB 384

DATE PREPARED: Dec 13, 2000
BILL AMENDED:

SUBJECT: Teacher Certification Incentives.

FISCAL ANALYST: Chuck Mayfield
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		8,157,500	14,157,500
Net Increase (Decrease)		(8,757,500)	(14,457,500)

LOCAL IMPACT	CY 2001	CY 2002	CY 2003
Local Revenues		315,000	20,315,000
Local Expenditures			
Net Increase (Decrease)		315,000	20,315,000

Summary of Legislation: This bill provides that the Department of Education shall each year pay the certification fees for up to 2,000 teachers who are participating in the certification process offered by the National Board for Professional Teaching Standards. It provides a national board certification incentive grant to school corporations equal to \$5,000 for each teacher employed by a school corporation who holds a valid certification from the National Board for Professional Teaching Standards and who is a classroom teacher.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill requires the Department of Education to pay the \$2,300 certification fee for up to 2,000 teachers during a calendar year. The maximum annual cost is \$4.6 M (\$2,300 X 2,000 teachers). The FY 2002 impact is twice the annual impact of \$4.6 M, or \$9.2 M, assuming that 2,000

teachers would apply in the last six months of CY 2001 and an additional 2,000 teachers during the first six months of CY 2002. The bill appropriates the amount necessary to pay the certificates from the State General Fund.

The bill also provides that a local school corporation may receive an incentive grant in the Tuition Support Formula equal to \$5,000 times the number of teachers that hold valid certifications from the National Board for Professional Teaching Standards. Currently, the Board reports that 63 teachers in Indiana have the certification. The fiscal impact of the \$5,000 incentive grant is \$315,000 for CY 2002, assuming no other teachers are certified. The impact of adding 2,000 teachers per year is an annual increase of \$10 M. Assuming that 4,000 additional teachers are certified during the CY 2001 - CY 2002 school year as allowed by the funding for certification fees noted above, the CY 2003 grant amount would be \$20,315,000. The maximum impact for CY 2004 is \$30,315,000. The state impact for the incentive grant is \$157,500 for FY 2002 (½ of the CY 2002 amount), and \$10,157,500 for FY 2003 (½ of the CY 2002 amount and ½ of the CY 2003 amount).

State Fiscal Impact	FY 2002	FY 2003
Certification Fees	\$8,600,000	\$4,300,000
Incentive Grant	\$157,500	\$10,157,500
Total	\$8,757,500	\$14,457,500

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Local schools would receive a tuition support grant equal to \$5,000 times the number of teachers that hold valid certifications from the National Board for Professional Teaching Standards. Currently, the Board reports that 63 teachers in Indiana have the certification so the impact for CY 2002 is \$315,000 (\$5,000 times 63 teachers). The addition of 4,000 teachers for CY 2003 would increase the grant to \$20,105,000 for CY 2003.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School Corporations.

Information Sources: The National Board of Professional Teaching Standards (www.nbpts.org).